

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

Truth-in-Billing

and

Billing Format

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CC Docket No. 98-170

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**DEC 16 1998**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

To: The Commission

**REPLY COMMENTS  
OF COMMONWEALTH TELEPHONE COMPANY**

Commonwealth Telephone Company ("Commonwealth"), by its attorneys and pursuant to Section 1.415 of the Commission's rules, hereby submits its reply comments in the captioned proceeding. Eighty-two sets of comments were filed in response to the Commission's Notice of Proposed Rulemaking ("Notice")<sup>1</sup> issued on September 17, 1998. The commenting parties included local exchange carriers, interexchange carriers, wireless carriers, billing clearinghouses, regulators, consumer advocates, trade associations and others. Rather than catalog and respond to all comments filed, Commonwealth is responding to selected comments that are representative of certain issues. Therefore, Commonwealth requests that the Commission make no inference from the fact that Commonwealth has not responded to all comments that have been filed.

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<sup>1</sup> *Truth-In-Billing and Billing Format*, Notice of Proposed Rulemaking, CC Docket No. 98-170, FCC 98-232 (released Sept. 17, 1998) ("Notice").

# **I. The Commission Should Adopt Broad Guidelines Rather Than Specific Prescriptions**

Like Commonwealth, many of the commenting parties support the adoption of broad guidelines rather than specific prescriptions.<sup>2</sup> These parties generally agreed that specific prescriptions would inevitably result in longer bills, restrict the ability of carriers to adjust their billing formats to meet customer demand, increase costs to consumers, and limit the ability of carriers to include billing format as an element of competition in the marketplace. The Commission should avoid adopting regulations that would result in longer telephone bills, as it is clear from most of the comments filed that, above all else, consumers want shorter bills. Therefore, rather than mandating the contents of each page, the Commission should issue broad guidelines on telephone bill formatting, allowing carriers and their customers to work out the specifics.

Furthermore, as noted by many state commissions, most states have already developed regulations pertaining to many of the issues raised in this Notice.<sup>3</sup> In many instances, billing format and wording are based upon or determined by state attorney general or utility commission

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<sup>2</sup> See, e.g., Airtouch Communications, Inc.; Association for Local Telecommunications Services; AT&T Corp.; BellSouth Corporation; Bell Atlantic; CenturyTel; Comnet Cellular; Excel Telecommunications, Inc.; Frontier Corporation; Global Telecompetition Consultants, Inc.; GST Telecom Inc.; GTE; Independent Telephone & Telegraph Alliance; National Association of Attorney Generals; Qwest Communications Corporation; Rural Telephone Coalition; Rural Telecommunications Group; SBC Communications; Southern Communications Services, Inc.; Sprint Corporation; United States Telephone Association; US West.

<sup>3</sup> See, e.g., California Public Utilities Commission; Florida Public Service Commission; Minnesota Office of the Attorney General; National Association of Attorneys General; Kansas Corporation Commission; New York State Consumer Protection Board; Pennsylvania Public Utility Commission; Public Service Commission of Wisconsin; Public Utilities Commission of Ohio; Public Utility Commission of Texas; Vermont Public Service Board and Vermont Department of Public Service.

requirements. An additional layer of federal regulation in the form of specific prescriptions would not only increase the cost of compliance, but may conflict with and preempt existing state rules designed to address state-specific issues, thus leaving consumers worse off than if the Commission had not adopted regulations in this area.<sup>4</sup> On the other hand, limiting the regulations to broad guidelines would allow state and federal officials to work together, as envisioned by the Telecommunications Act, to tailor solutions specific to the identified problems.

## **II. Organization of the Bill**

Parties in support of specific prescriptions focused on the necessity of directed solutions, but each proposed different requirements and offered ideas that often contradicted each other. The fact that all views are divergent, and often conflicting, demonstrates the fallacy of adopting specific prescriptions. For instance, in regard to the Commission's proposal to segregate services according to type; while many commenting parties agreed with the proposal, there were a number of divergent ideas concerning the details. There was no consensus as to whether the services should appear in separate sections or on separate pages or what the titles should be for the different categories. While it is impractical to list all the varying suggestions, it is clear that there is no consensus as to how to

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<sup>4</sup> Moreover, a number of parties have called into question whether the Commission has jurisdiction to regulate bills for intrastate charges and thus believe the Commission may be exceeding its jurisdiction in this proceeding. *See, e.g.*, Comments of Global Telecompetition Consultants, Inc., at 3-4; Comments of the Minnesota Office of Attorney General, at 3-4; Comments of the Missouri Public Utility Commission, at 2; Comments of the National Association of State Utility Consumer Advocates, at 11-12; Comments of the New York State Consumer Board, at 7, 7 n.3; Comments of Pennsylvania Public Utility Commission, at 5; Comments of the Public Utility Commission of Ohio, at 4; Comments of SBC Communications, Inc., at 3; Comments of Time Warner Telecom, Inc., at 5-9.

properly organize a bill.<sup>5</sup> It would be a mistake for the Commission to exercise its judgment and pick what it believes to be the best solution, thereby preventing the marketplace from deciding by permitting telecommunications providers to tailor their billing formats in response to consumer demand.

As set out in its opening statements, Commonwealth already has bills that show services provided by toll carriers in separate sections.<sup>6</sup> While Commonwealth agrees that presenting details regarding charges for different services in this manner makes it easier for its customers, the larger point is that the Commission should not substitute its judgment for the judgment of carriers responding to the needs of their customers. The adoption of broad guidelines rather than specific prescriptions by the Commission would allow Commonwealth to continue to respond to the needs of its customers and integrate new innovations as they become available, both in terms of service

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<sup>5</sup> See, e.g., Comments of the Federal Trade Commission, at 9, 9 n.17 (agreeing with segregation but proposing the label of "telephone-billed purchases" rather than "miscellaneous"); Comments of the Minnesota Office of the Attorney General, at 8 (suggesting segregation according to usage, monthly service charges and taxes); Comments of the National Association of State Utility Consumer Advocates, at 2, 13 (recommending the use of symbols to denote local and long distance charges); Comments of the Public Service Commission of West Virginia, at 2 (advocating four categories, each with a different label than both the Commission's and other proposals); Comments of the Public Utility Commission of Ohio, at 6 (proposing additional categories of regulated and non-regulated services); Comments of the Public Utility Commission of Texas, at 5 (disagreeing with both the number of categories and the labels, proposing "optional" and "mandatory" in place of "miscellaneous"); Comments of Quality Communications, Inc., at 2 (providing for coding to identify different services and inclusion of an index on the remittance portion of the telephone bill); Comments of the Texas Office of Public Utility Counsel, at 4 (offering the label of "Optional Charges/Services" instead of "miscellaneous"); Comments of the Washington Utilities and Transportation Commission Staff, at 1, 3 (determining that charges should fall into four categories, all with labels different than the Commission).

<sup>6</sup> See Comments of Commonwealth Telephone Company, at 2-3.

offerings and billing format options. For example, Commonwealth prints its bills on 8 ½ by 11 inch paper. As noted in its opening comments, requiring Commonwealth to print distinct services on separate pages would result in the unnecessary expense of additional paper and postage.<sup>7</sup>

Regarding the Commission's proposal of requiring a status page or section and a summary page or section, again, each commenting party had a unique view as to what format would provide consumers with the most benefits. Parties disagreed on the method to indicate service changes and what information should appear on various pages.<sup>8</sup> Once again, it would be inappropriate for the Commission to determine which system of billing is superior, as each commenting party addressed specific needs to solve problems thought important by that party. General guidelines avoid mandating one format above all others, thus allowing the market to determine which format is the best and enabling carriers to respond to the unique needs of their customers. In reality, competition will either mandate conformity among the numerous providers, or demand clarity from all carriers that the Commission could never achieve through regulation. Broad guidelines allow different carriers to experiment with different methods, thus allowing consumers to choose the best format

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<sup>7</sup> See Comments of Commonwealth Telephone Company, at 3.

<sup>8</sup> See, e.g., Comments of the Bills Projects, at 3 (recommending a separate "new services box"); Comments of the Federal Trade Commission, at 10 (suggesting the use of colored paper for the status page); Comments of the Florida Public Service Commission, at 6 (urging the Commission to include usage charges, monthly service fees and taxes, with each item separately listed); Comments of the Minnesota Office of Attorney General, at 8-9 (locating this portion of the bill as the place to notify consumers of when service can be terminated); Comments of the Missouri Public Service Commission, at 3 (advocating that a section of the summary page should be devoted to new services); Comments of the Public Utility Commission of Texas, at 6 (arguing the use of a separate page with a title for the status page); Comments of the Texas Office of Public Utility counsel, at 4 (recommending a "flag" or other symbol to indicate a change in service).

to meet their needs. Broad guidelines also allow the Commission to address the legitimate concerns of various consumer groups and state commissions without undermining the competitive process.

Additionally, mandating a status section or page and a summary section or page does not necessarily solve the problems of cramming and slamming. A status section or a summary section would simply be providing consumers with information located elsewhere in the bill and thus would make the bill lengthier and more confronting to read, thereby increasing consumer confusion. So long as the bill conspicuously shows who the service providers are, the Commission should allow carriers the flexibility to provide the information to consumers in the way they believe is comprehensible and effective. Commonwealth would support a requirement that carriers inform customers of changes and new charges, but the Commission should permit carriers to decide how to provide the information.

### **III. Listing Charges as Deniable And Non-Deniable Charges**

The parties were divided as to whether the Commission should mandate identifying "deniable" and "non-deniable" charges on the telephone bill. Several of the commenting parties, as well as the Commission, pointed to the fact that sometimes customers are pressured by unscrupulous service providers into paying questionable charges because they fear losing the provision of local service.<sup>9</sup> However, there was no consensus as to what method to implement in

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<sup>9</sup> See Notice at ¶ 24. See, e.g., Comments of the Public Service Commission of West Virginia, at 2 (suggesting that local exchange carriers not be allowed to disconnect for non-payment of charges, unless the charges are for their services specifically); Comments of the Public Service Commission of Wisconsin, at 4 (finding that the use of denial of local service as a collection tool for all charges is inappropriate); Comments of the Public Utilities Commission of Ohio, at 9-10 (stating its concern for consumers paying "non-deniable" charges because they fear disconnection); Comments of Texas Citizen Action, at 5-6 (noting that fear of disconnection is

(continued...)

order to alert consumers to the fact that the non-payment of certain charges will not result in the termination of service.<sup>10</sup>

Many commenting parties disagreed with detailing in each statement whether charges are "deniable" or "non-deniable", as they were concerned that it invites nonpayment of the charges designated as "non-deniable".<sup>11</sup> In addition, there is only so much information that can be included in a monthly statement without increasing customer confusion, and a customer paying the bill on a timely basis is not going to focus on whether a charge is "deniable" or "non-deniable". Instead, as discussed in its opening comments, Commonwealth proposes that the termination of service notice inform the customers as to which specific charges must be paid in order to continue service.

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<sup>9</sup>(...continued)

used to pressure local service customers to pay "non-deniable" charges).

<sup>10</sup> See, e.g., Comments of the Federal Trade Commission, at 15-16 (expressing support for the idea of differentiation, but no comment on the method); Comments of GST Telecom Inc., at 22-23 (pointing to the problem of determining what charges result in termination among the several states); Comments of MediaOne, at 1-3 (noting that proposal would heighten customer confusion); Comments of the National Association of State Utility Consumer Advocates, at 3, 16 (suggesting a disclosure statement explaining the rights of consumers); Comments of the Public Service Commission of Wisconsin, at 4 (emphasizing that more detail is needed than simply labeling charges deniable or non-deniable); Comments of the Public Utility Commission of Texas, at 8 (quoting a customer saying such designations may "open up another can of worms"); Comments of Texas Citizen Action, at 5-6 (supporting a "non-deniable" disclosure statement); Comments of the Utility Consumers' Action Network, at 2, 9 (advocating that the Commission not adopt such labels).

<sup>11</sup> See, e.g., Comments of Bell Atlantic, at 9 (emphasizing that such a label suggests that it is alright not to pay such charges); Comments of Commonwealth Telephone Company, at 4-5 (highlighting the fact that such a designation encourages non-payment); Comments of CenturyTel, at 6-7 (designating charges in this manner invites nonpayment); Comments of the Kansas Corporation Commission, at 5 (arguing that it may lead to non-payment of non-deniable charges); Comments of the Northwestern Indiana Telephone, Inc., at 4 (providing such a distinction leads to non-payment); Comments of Time Warner Telecom, Inc., at 14 (stating that such labels invite non-payment).

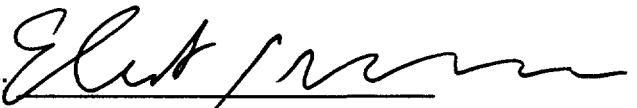
Commonwealth submits that the termination of service notice is the proper place to inform customers as to which charges are "deniable", because the customer needs to accurately know what he or she must do to avoid a service cut-off when termination is imminent. Moreover, by placing the information in the termination notice, the threat of termination cannot be abused to make a customer pay a "non-deniable" charge.

#### **IV. Conclusion**

In conclusion, Commonwealth urges the Commission to issue broad guidelines rather than specific prescriptions regarding billing for wireline telephone service.

Respectfully submitted,

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